

February 3, 2003

Dockets Management System
U.S. Department of Transportation
400 Seventh St. SW
Room PL 401
Washington D.C. 20590

RE: RSPA-2002-13658 (HM-215E) Harmonization With the United Nations
Recommendations, International Maritime Dangerous Goods Code, and
International Civil Aviation Organization's Technical Instructions

Dear Sir or Madam:

The International Sanitary Supply Association (ISSA) appreciates the opportunity to comment on Docket RSPA-2002-13658 (HM-215E), RSPA's Proposed Rule regarding Harmonization With the United Nations Recommendations, International Maritime Dangerous Goods Code and International Civil Aviation Organization's Technical Instructions. While ISSA recognizes the importance of achieving international consistency in the regulation of the transportation of hazardous materials and generally supports the proposed rule, we are concerned with the time provided for implementation of the changes and request that the mandatory effective date of the regulation be extended to October 1, 2005.

ISSA is a non-profit trade association that is comprised of over 4,600 member companies engaged in the manufacture and distribution of cleaning supplies and products, including a variety of hazardous chemicals. The majority of ISSA's members are small businesses who are often directly involved in the transport of hazardous materials and, therefore, are deeply concerned about the proposed rule's direction and scope.

There is no doubt that many of the proposed amendments will result in dramatic changes to the way that companies prepare their hazardous products for shipment. Requiring that companies revise their shipping papers to include the subsidiary hazard class and list the type of package being used in transportation, mandating that packages of limited quantity materials be marked with the identification number in a diamond, obligating companies to mark all packages intended for air transport to be marked with an "air eligibility" marking, etc. represent significant changes. RSPA must, therefore, be extremely careful not to force companies to implement considerable changes to their preparation processes without recognizing the financial and time implications.

Fortunately, in the Notice of Proposed Rulemaking (Federal Register, December 3, 2002), RSPA clearly recognizes the changes that companies will have to make as well as the potential financial implications associated with the proposed changes. Companies will be faced with the prospect of having to fully train all employees with regards to the changes, will need to update shipping paper software or integrate new software systems, and will need sufficient time to clear existing product stocks that have been packaged and marked in accordance with the old requirements. All three activities promise to be expensive and time-consuming.

In recognizing the financial reality, RSPA sensibly provides for what the Administration terms as a "delayed effective date." Unfortunately, RSPA has miscalculated the time period that will be necessary to achieve full implementation of the new requirements while minimizing costs. An approximate "one-year transition period" simply will not be sufficient to ease the financial burden faced by affected entities and will likely not allow companies to fully clear existing inventory. For this reason, ISSA respectfully requests an implementation transition period of at least two years.

The implications are especially problematic for small businesses and the overall negative financial impact is intensified by the country's current economic environment. Small businesses that presently find themselves struggling to stay afloat will be much better able to absorb the costs associated with implementation of the new regulations if those costs can be spread out over a two-year period of time. Requiring companies to ensure that they are in compliance with all of the new regulations within one year will have an economic impact that simply cannot be disregarded. This is particularly true when the impact will be felt by companies in the cleaning products industry, the majority of whom are small businesses who have annual sales of less than \$2 million and whose product lines consist of cleaning products that are traditionally sold in low volumes and at low profit margins.

The bottom line is that an avalanche of implementation costs thrust upon a small business in a short 12-month period of time can cripple many companies, forcing many to cut back on the number of products that they market and sell and potentially forcing some out-of-business. A reduced number of cleaning products can artificially inflate prices and reduce the overall supply of available products. It may seem far-fetched, but this can result in the sacrifice of sanitary conditions and have a detrimental effect on the health of many persons and the environment.

The financial impact is not unique to small businesses, however. Large, international companies have also expressed concerns with the potential costs. In fact, one ISSA member company notes that it will be necessary to retrain approximately 622 employees outside of the normal required three-year cycle. The company explains that even if training could be accomplished within one-hour (certainly a tenuous assumption), the overall training costs facing the company would exceed \$17,400. Of course, these training costs would be in addition to the costs associated with software changes and re-packaging / re-marking, referenced above.

In conclusion, ISSA respectfully requests that the mandatory effective date of the regulation be extended to October 1, 2005. While the Association certainly recognizes the importance of achieving international consistency in the regulation of the transportation of hazardous materials and generally supports the proposed rule, we remain concerned that RSPA has miscalculated that time period that will be necessary to achieve full implementation of the new requirements while minimizing costs. The proposed changes promise to be costly and quite time-consuming and companies, especially small businesses, should be granted at least a two-year period of time over which they can spread out the costs associated with training, software changes and existing inventory control.

Once again, ISSA sincerely appreciates the opportunity to comment on RSPA's proposed Rule regarding Harmonization With the United Nations Recommendations, International Maritime Dangerous Goods Code and International Civil Aviation Organization's Technical Instructions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel S. Wagner", with a long horizontal flourish extending to the right.

Daniel S. Wagner
Manager of Regulatory Compliance: ISSA